


OSPB


GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

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MEMORANDUM

TO: All Agencies
Budget Contacts

FROM: Thomas Betlach, Director 
Governor's Office of Strategic Planning and Budgeting

D. Clark Partridge, Deputy State Comptroller 
Department of Administration, General Accounting Office

DATE: January 7, 2002

SUBJECT: Special Session Appropriation & Budget Reductions

The passage of Laws 2001, 2nd Special Session, Chapter 5, reduced most FY 2002 General Fund agency appropriations. This will require loading changes within the Arizona Financial Information System (AFIS) to both the appropriations and budgets of many agencies.

There are a variety of appropriation formats used throughout Chapter 5 (e.g., lump sum with or without special line items, modified lump sum with or without special line items, lump sum by program with or without special line items, modified lump sum by program with or without special line items, detailed line item, etc.).

Agencies received different appropriation formats and a range of budget reductions. In addition to the various budget reductions to individual agencies, section 75 provided that all general fund appropriations provided for by Chapter 5 be reduced by an additional one-half percent. Excluded from this reduction, however, was the Department of Corrections, the Arizona Schools for the Deaf and the Blind, the Department of Education, and the Arizona Rangers' Pension.

The FY 2002 appropriations and budgets currently loaded in AFIS will have to be revised to reflect these changes. Both the Governor's Office of Strategic Planning and Budgeting (OSPB) and General Accounting Office (GAO) are prepared to work with agencies to identify how the reductions in their appropriations should be reflected.

The GAO has already started processing appropriation adjustments for agencies with lump sum appropriation formats. However, agencies will still need to work with their GAO liaisons and their OSPB budget analyst to adjust their FY 2002 budget loading.

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For agencies that have appropriation formats other than lump sum, it can be difficult to determine how the appropriation reductions should be loaded without agency direction. As such, the GAO liaisons will be contacting agencies for further clarification to guide what program or special line item requires adjustment. Subsequently, the adjustments will be forwarded to OSPB for final approval (handled in a manner similar to an allotment or appropriation transfer).

Please keep in mind that agencies, particularly cabinet agencies, have already provided OSPB some preliminary information regarding the impact of four-percent reductions during the budget development process. This information will need to be updated to reflect the additional reductions by the Legislature in determining the impact to your appropriation and budget. The OSPB expects that the proposals that have already been submitted and reviewed by OSPB will guide the process.

The appropriation reductions will be processed on AFIS using the Mid-Year Appropriation Reductions Transaction Code (TC-006). The agencies will be able to track these reductions on AFIS by referring to the Mid-Year Appropriation Reductions Balance Type (05) on the Appropriations Inquiry Screen (Screen 62). As always, budget transactions will be processed by the agencies. The budget detail total should be the same as the revised appropriation when completed.

The GAO would like agencies to submit the requisite appropriation loading changes by **JANUARY 21, 2002**. This should allow GAO adequate time to load the appropriation revisions, the agencies to adjust their budgets, and have January AFIS reports as accurate as possible.

If you have any questions regarding the process or how these reductions should be applied, please contact your GAO liaison or/and your OSPB analyst. Thank you for your continued cooperation.

cc: Chief Financial Officers
Agency Directors